

(3) Had not met recipient liability requirements when authorized eligible for Medicaid; that is, he had not incurred medical expenses equal to the amount of his excess income over the State's financial eligibility level or he had incurred medical expenses that exceeded the amount of excess income over the State's financial eligibility level, or was making an incorrect amount of payment toward the cost of services.

Negative case action means an action that was taken to deny or otherwise dispose of a Medicaid application without a determination of eligibility (for instance, because the application was withdrawn or abandoned) or an action to deny, suspend, or terminate an individual or family.

State agency means either the State Medicaid agency or a State agency that is responsible for determining eligibility for Medicaid.

§ 431.806 State plan requirements.

(a) *MEQC program*. A State plan must provide for operating a Medicaid eligibility quality control program that meets the requirements of §§ 431.810 through 431.822 of this subpart.

(b) *Claims processing assessment system*. Except in a State that has an approved Medicaid Management Information System (MMIS) under subpart C of part 433 of this subchapter, a State plan must provide for operating a Medicaid quality control claims processing assessment system that meets the requirements of §§ 431.830 through 431.836 of this subpart.

§ 431.808 Protection of recipient rights.

Any individual performing activities under the MEQC program or the claims processing assessment system specified in this subpart must do so in a manner that is consistent with the provisions of §§ 435.902 and 436.901 of this subchapter concerning the rights of recipients.

MEDICAID ELIGIBILITY QUALITY CONTROL (MEQC) PROGRAM

SOURCE: Sections 431.810 through 431.822 appear at 55 FR 22167, May 31, 1990, unless otherwise noted.

§ 431.810 Basic elements of the Medicaid eligibility quality control (MEQC) program.

(a) *General requirements*. The agency must operate the MEQC program in accordance with this section and §§ 431.812 through 431.822 and other instructions established by CMS.

(b) *Review requirements*. The agency must conduct MEQC reviews in accordance with the requirements specified in § 431.812 and other instructions established by CMS.

(c) *Sampling requirements*. The agency must conduct MEQC sampling in accordance with the requirements specified in § 431.814 and other instructions established by CMS.

§ 431.812 Review procedures.

(a) *Active case reviews*. (1) Except as provided in paragraph (a)(2) of this section, the agency must review all active cases selected from the State agency's lists of cases authorized eligible for the review month, to determine if the cases were eligible for services during all or part of the month under review, and, if appropriate, whether the proper amount of recipient liability was computed.

(2) The agency is not required to conduct reviews of the following cases:

(i) Supplemental Security Income (SSI) recipient cases in States with contracts under section 1634 of the Act for determining Medicaid eligibility;

(ii) Foster care and adoption assistance cases under title IV-E of the Act found eligible for Medicaid; and

(iii) Cases under programs that are 100 percent federally funded.

(b) *Negative case reviews*. Except as provided in paragraph (c) of this section, the agency must review those negative cases selected from the State agency's lists of cases that are denied, suspended, or terminated in the review month to determine if the reason for the denial, suspension, or termination was correct and if requirements for timely notice of negative action were met. A State's negative case sample size is determined on the basis of the number of negative case actions in the universe.

(c) *Alternate systems of negative case reviews*—(1) *Basic provision*. A State may be exempt from the negative case